

**City of Muskegon  
Proprietary Funds**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS**

**Year Ended December 31, 2003**

	<b>Business-Type Activities Enterprise Funds</b>				<b>Governmental Activities</b>
	<b>Sewer</b>	<b>Water</b>	<b>Marina and Launch Ramp</b>	<b>Total</b>	<b>Internal Service</b>
Operating revenues					
Charges for services	\$ 4,021,244	\$ 4,045,086	\$ 263,880	\$ 8,330,210	\$ -
Charges to other funds	-	-	-	-	5,878,071
Other revenues	36,499	86,040	10,378	132,917	228,961
Total operating revenues	4,057,743	4,131,126	274,258	8,463,127	6,107,032
Operating expenses					
Operating and administrative	388,912	494,737	265,785	1,149,434	2,692,406
Insurance premiums and claims	-	-	-	-	3,497,569
Wastewater treatment	2,253,677	-	-	2,253,677	-
Filtration plant operations	-	1,086,457	-	1,086,457	-
Water distribution	-	1,952,814	-	1,952,814	-
Bad debts	6,865	5,682	-	12,547	-
Depreciation and amortization	667,831	615,470	61,308	1,344,609	704,264
Total operating expenses	3,317,285	4,155,160	327,093	7,799,538	6,894,239
Operating income (loss)	740,458	(24,034)	(52,835)	663,589	(787,207)
Nonoperating revenues (expenses)					
Investment income	19,739	51,889	-	71,628	26,476
Gain (loss) on sale of capital and other assets	-	(88,767)	-	(88,767)	15,053
State grants	-	-	256,612	256,612	-
Interest expense	(132,214)	(436,560)	-	(568,774)	-
Total nonoperating revenues (expenses)	(112,475)	(473,438)	256,612	(329,301)	41,529
Income (loss) before transfers	627,983	(497,472)	203,777	334,288	(745,678)
Transfers					
Transfers in	-	-	-	-	1,179,938
Change in net assets	627,983	(497,472)	203,777	334,288	434,260
Net assets at beginning of year	12,995,110	23,369,263	1,200,715	37,565,088	4,221,757
Net assets at end of year	\$ 13,623,093	\$ 22,871,791	\$ 1,404,492	\$ 37,899,376	\$ 4,656,017

Reconciliation to the statement of activities

Total change in net assets of enterprise funds \$ 334,288

Some amounts reported for business-type activities  
in the statements of activities are different because  
the net revenue (expense) of certain internal service  
funds is reported with business-type activities

88,353

Change in net assets of business-type activities

\$ 422,641

The accompanying notes are an integral part of this statement.